



## **Economic Development**

## VARIANCE REPORT

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	488.00	416.00	- 72.00	15	492.00	410.00	- 82.00	17	492.00	446.00	- 46.00	9
EXPENDITURES (\$1000's)	299,437	229,402	- 70,035	23	168,418	31,966	- 136,452	81	110,465	245,764	+ 135,299	122
TOTAL COSTS												
POSITIONS	488.00	416.00	- 72.00	15	492.00	410.00	- 82.00	17	492.00	446.00	- 46.00	9
EXPENDITURES (\$1000's)	299,437	229,402	- 70,035	23	168,418	31,966	- 136,452	81	110,465	245,764	+ 135,299	122
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. GROSS STATE PRODUCT (2000 CONSTANT \$ IN MILLIONS)					49192	49934	+ 742	2	50324	50010	- 314	1
2. REAL PERSONAL INCOME (2000 CONSTANT \$ IN MILLIONS)					41518	40468	- 1050	3	42223	40149	- 2074	5
3. UNEMPLOYMENT RATE (% TENTHS)					3.2	3.1	- 0.1	3	3.2	3.7	+ 0.5	16
4. TOTAL EMPLOYMENT (THOUSANDS)					633	633	+ 0	0	639	637	- 2	0
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)					62299	62465	+ 166	0	65444	64185	- 1259	2
6. REAL PERSONAL INCOME (CURRENT \$ IN MILLIONS)					51244	51134	- 110	0	53909	52717	- 1192	2

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: ECONOMIC DEVELOPMENT**

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**01**

### **PART I - EXPENDITURES AND POSITIONS**

The variance in Economic Development program position counts is generally due to delays in recruitment and filling of vacancies. The variance in expenditures is the net effect of position vacancies, lower than anticipated expenditures and delays or deferrals of program projects.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 3. The unemployment rate variance is the result of a combination of volatile energy prices and a worldwide financial crisis that impacted consumer's decisions to travel to Hawaii and reduced the demand for Hawaii real estate.

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	85.00	77.00	- 8.00	9	87.00	79.00	- 8.00	9	87.00	83.00	- 4.00	5
EXPENDITURES (\$1000's)	10,224	6,990	- 3,234	32	1,842	1,590	- 252	14	7,010	7,853	+ 843	12
TOTAL COSTS												
POSITIONS	85.00	77.00	- 8.00	9	87.00	79.00	- 8.00	9	87.00	83.00	- 4.00	5
EXPENDITURES (\$1000's)	10,224	6,990	- 3,234	32	1,842	1,590	- 252	14	7,010	7,853	+ 843	12
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. ANNUAL PERCENTAGE INCREASE IN GROSS STATE PRODUCT					5.0	3.9	- 1.1	22	5.0	2.8	- 2.2	44
2. NUMBER OF NEW JOBS CREATED PER ANNUM					6272	1153	- 5119	82	5668	-544	- 6212	110

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## STATE OF HAWAII

PROGRAM TITLE:

STRATEGIC MARKETING &amp; SUPPORT

PROGRAM-ID:

BED-100

PROGRAM STRUCTURE NO: 010101

## VARIANCE REPORT

REPORT V61

12/13/08

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	20.00 4,250	17.00 2,167	- -	3.00 2,083	15 49	20.00 645	17.00 467	- -	3.00 178	15 28	20.00 3,255	18.00 3,432	- +	2.00 177	10 5
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	20.00 4,250	17.00 2,167	- -	3.00 2,083	15 49	20.00 645	17.00 467	- -	3.00 178	15 28	20.00 3,255	18.00 3,432	- +	2.00 177	10 5

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
1. INVESTMENT GEN BY BUS DEV & PROMO ACT \$M	13	12.5	-	0.5	4	13	13	+	0	0
2. NUMBER OF TRADE & INVESTMENT LEADS GENERATED	650	575	-	75	12	650	600	-	50	8
3. CLIENT SATISFACTN BASED ON EVAL SURVEYS	9.5	9.0	-	0.5	5	9.5	9.0	-	0.5	5
4. # JOBS GENERATED BY COMMUNITY-BASED ORGANIZATIONS	100	100	+	0	0	100	100	+	0	0
5. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM	40	22	-	18	45	40	30	-	10	25
6. # JOBS GENERATED BY ENTERPRISE ZONE BUSINESSES	300	300	+	0	0	300	200	-	100	33
7. # BAC CLIENTS ASSISTED BY PHONE & IN PERSON	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
8. # BAC LICENSE APPLICATIONS PROCESSED	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0

PART III: PROGRAM TARGET GROUP	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
1. # HAWAII FIRMS ENGAGED IN INTERNAT'L BUSINESS	750	750	+	0	0	775	750	-	25	3
2. # ELIG NON-PROFIT COMM-BASED ORGS & COOPERATIVES	400	400	+	0	0	400	400	+	0	0
3. # SMALL BUS REQUESTING REGULATORY RELIEF/LEGIS	10	4	-	6	60	10	10	+	0	0
4. # ATTENDEES AT BAC OUTREACH ENGAGEMENTS	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0

PART IV: PROGRAM ACTIVITY	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES	20	150	+	130	650	20	100	+	80	400
2. # NATL BUSINESS DEVELOPMENT ACTIVITIES	10	5	-	5	50	10	5	-	5	50
3. #OUT-OF-STATE FIRMS, ORGS ASSTD TO LOCATE/INV HERE	10	15	+	5	50	12	10	-	2	17
4. # LOCAL FOCUSED EDUC & PROMO, BUS DEV ACTIVS	13	32	+	19	146	13	30	+	17	131
5. # PRINT, ELECTRONIC PUBLICATIONS, MKTG COLLATERAL	4	14	+	10	250	4	25	+	21	525
6. # INVESTMENT & TRADE CONSULTATIONS	325	295	-	30	9	325	300	-	25	8
7. #FIRMS GVN INFO/ASST FOR PARTIC IN ENTERPRSE ZONES	300	300	+	0	0	300	300	+	0	0
8. NUMBER OF BAC OUTREACH ENGAGEMENTS	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
9. # CBED APPLICATIONS RECEIVED & REVIEWED	40	15	-	25	63	40	15	-	25	63
10. # NEW/AMENDED RULES REVIEWD BY BUS ADV & SBRRB	55	54	-	1	2	55	55	+	0	0

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

01 01 01  
BED 100

### PROGRAM TITLE: STRATEGIC MARKETING & SUPPORT

#### **PART I - EXPENDITURES AND POSITIONS**

Positions. In FY 08, vacancies were attributed to retirement and hiring of these positions were delayed. In FY 09, position count changes based on not filling positions due to the hiring freeze and proposed abolishment of positions in the upcoming biennium.

Expenditures. Variance in FY 08 is primarily due to lower than anticipated expenditures for the Community-Based Economic Revolving Fund and the Disaster Commercial/Personal Loan Program.

#### **PART II - MEASURES OF EFFECTIVENESS**

Item 2. Trade and investment leads are generated through industry development and investment attraction activities. Leads generated through these activities are not easy to quantify in advance. The activities, however, provide a good venue for Hawaii companies interested in exporting their products and services, test marketing their products, building brand awareness and identifying potential funding sources or partners to grow their business outside of the state.

Item 5. In FY 08, Agriculture/Enterprise Zone was going through the legislature. Businesses were awaiting the passage and positive impact/changes to the EZ program before joining.

#### **PART III - PROGRAM TARGET GROUPS**

Item 3. The number of small businesses requesting regulatory relief is in line with the estimated figures. However, it is difficult to forecast exactly how many small businesses have regulatory issues.

#### **PART IV - PROGRAM ACTIVITIES**

Item 1. The number of international business development activities increased markedly due to increased efforts by the department's two overseas offices in Beijing and Taipei to market Hawaii's products, services and investment opportunities through targeted trade shows and other activities.

Item 2. The number of national business development activities decreased due to a shift in focus of several trade shows that the division had planned to participate in.

Item 3. The number of out-of-state firms assisted to locate and/or invest in Hawaii is extremely difficult to estimate due to complex factors, many of which are out of the division's control, that are considered by the firms or organizations before a decision is made.

Item 4. The number of locally-focused business development activities increased due to an influx of short-term training groups from Asia.

Item 5. The number of print, electronic publications and marketing collateral pieces increased with the introduction of the Hawaii Global Links Newsletter, the Hawaii Global Links Forum series and the 2009 Asia Pacific Clean Energy Summit & Expo.

Item 9. In FY 08 and FY 09, CBED Revolving Fund received \$50,000 in each year. Due to this limited funding, a minimum number of grant applications were received and reviewed.

## STATE OF HAWAII

PROGRAM TITLE:

CREATIVE INDUSTRIES DIVISION

PROGRAM-ID:

BED-105

PROGRAM STRUCTURE NO: 010102

## VARIANCE REPORT

REPORT V61

12/13/08

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ESTIMATED	+ CHANGE		%
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	11.00 1,358	10.00 1,538	- +	1.00 180	9 13	13.00 216	12.00 197	- -	1.00 19	8 9	13.00 1,077	12.00 989	- -	1.00 88	8 8
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	11.00 1,358	10.00 1,538	- +	1.00 180	9 13	13.00 216	12.00 197	- -	1.00 19	8 9	13.00 1,077	12.00 989	- -	1.00 88	8 8
						FISCAL YEAR 2007-08					FISCAL YEAR 2008-09				
						PLANNED	ACTUAL	+ CHANGE		%	PLANNED	ESTIMATED	+ CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. AMT OF DIRECT EXPEND. FROM FILM PROD IN HI (MIL)						100	183.7	+ 83.7		84	100	100	+ 0		0
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)						159.8	293.6	+ 133.8		84	159.8	159.8	+ 0		0
3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD (MIL)						12.9	16.5	+ 3.6		28	12.9	12.9	+ 0		0
4. FUNDG STIM IN ADD TO CID BGT SPPTG ARTS/CULT/FILM						0	1.1	+ 1.1		0	0	1.0	+ 1		0
PART III: PROGRAM TARGET GROUP															
1. MAJOR HOLLYWD STUDIOS/US & INTL FILM/TV INDUSTRY						200	200	+ 0		0	200	200	+ 0		0
2. LOCAL PROD COMPANIES/LOCAL PROD PROFESSIONALS						4000	4000	+ 0		0	4000	4000	+ 0		0
3. LOCAL FILM FESTIVALS						20	25	+ 5		25	20	25	+ 5		25
4. TOURISTS PROMPTD BY LOCAL CULT/ARTS/EXP TO FILM/TV						56848	55370	- 1478		3	58154	56351	- 1803		3
5. NONPROFIT ARTS/CULT ORGS BENEF OF ECON ACT BY CID						150	150	+ 0		0	150	150	+ 0		0
6. FOUNDATIONS AND OTHER FUNDING SOURCES						39	39	+ 0		0	39	39	+ 0		0
PART IV: PROGRAM ACTIVITY															
1. #FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY						140	135	- 5		4	140	140	+ 0		0
2. # OF FILM PERMITS PROCESSED ANNUALLY						1500	1542	+ 42		3	1500	1500	+ 0		0
3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS						12	14	+ 2		17	12	19	+ 7		58
4. #OVERSEAS SALES/MKTG/PROMO ATTND/SPON/SPPT BY CID						1	3	+ 2		200	1	4	+ 3		300
5. # OF ARTS, CULTURE AND FILM INQUIRIES						3604	3604	+ 0		0	3604	3604	+ 0		0

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

01 01 02  
BED 105

**PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 08 variance due to the transfer in of funds from other programs for the Creative Academies Program.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. Expenditures increased significantly due to the amendment to HRS 235-17 (motion picture, digital media, and film production income tax credit).

Item 2. Due to the increase in direct expenditures, there is an increase in the impact on the state.

Item 3. Due to the increase in direct expenditures, there is an increase in tax revenues generated.

Item 4. Increase due to greater dollar amount being contributed by organizations co-sponsoring CID activities.

### **PART III - PROGRAM TARGET GROUPS**

Item 3. Local film festivals increased by 25 percent. Five new film festivals that we became aware of.

Item 4. Does not include film/TV numbers.

### **PART IV - PROGRAM ACTIVITIES**

Item 3. Increase due to additional events co-sponsored by ACDB.

Item 4. Increase due to additional events co-sponsored by ACDB.

## STATE OF HAWAII

PROGRAM TITLE:

FOREIGN TRADE ZONE

PROGRAM-ID:

BED-107

PROGRAM STRUCTURE NO: 010103

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	19.00	16.00	- 3.00	16	19.00	16.00	- 3.00	16	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,010	982	- 1,028	51	427	394	- 33	8	1,583	1,616	+ 33	2
<b>TOTAL COSTS</b>												
POSITIONS	19.00	16.00	- 3.00	16	19.00	16.00	- 3.00	16	19.00	19.00	+ 0.00	0
EXPENDITURES (\$1000's)	2,010	982	- 1,028	51	427	394	- 33	8	1,583	1,616	+ 33	2
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)					3	16	+ 13	433	3	5	+ 2	67
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES					3	-3.29	- 6.29	210	3	0	- 3	100
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL					6	-5.3	- 11.3	188	6	0	- 6	100
4. # OF NEW FIRMS USING FTZ PROGRAM					30	25	- 5	17	30	30	+ 0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES					5	-6	- 11	220	5	0	- 5	100
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG					60	50	- 10	17	60	60	+ 0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)					4	NO DATA	- 4	100	4	NO DATA	- 4	100
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)					0	-142	- 142	0	0	0	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FIRMS USING FTZ PROGRAM (NO.)					390	399	+ 9	2	390	400	+ 10	3
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE					500	525	+ 25	5	500	525	+ 25	5
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS					70	70	+ 0	0	70	70	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. VALUE OF CARGO IN/OUT OF FTZ (EXCLUDING SUBZONES)					575	1828000	+ 1827425	317813	575	1850000	+ 1849425	321639
2. VALUE OF CARGO IN/OUT OF SUBZONES					850	7015000	+ 7014150	825194	850	7000000	+ 6999150	823429
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY					70	55	- 15	21	70	60	- 10	14
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC					0	0	+ 0	0	0	0	+ 0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION					50	25	- 25	50	50	75	+ 25	50

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

**PROGRAM TITLE: FOREIGN TRADE ZONE**

**01 01 03  
BED 107**

### **PART I - EXPENDITURES AND POSITIONS**

Position vacancies and expenditure variance in FY 08 were the result of program trying to control operational expenditures to maintain parity with program revenue.

Position vacancies and expenditure variance in the first quarter of FY 09 were the result of program trying to control operational expenditures to maintain parity with program revenue and the Governor's hiring freeze.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. - The 16 percent increase in the value of cargo in/out of FTZ (excluding subzones) in FY 08 was due to the increase in fuel costs associated with the Honolulu International Airport's Fueling Facilities Corporation (FFC).

The estimated 5 percent increase in the value of cargo in/out of FTZ (excluding subzones) in FY 09 is due to the anticipated fuel cost projections associated with the Honolulu International Airport's Fueling Facilities Corporation (FFC).

Item 2 - The 3.29 percent decrease in the value of cargo in/out of all subzones in FY 08 was due to the decrease in the movement of fuel associated with all suppliers.

Item 3. - The 5.3 percent decrease in the value of cargo in/out of Pier 2 facility in FY 08 was due to the slowdown in the national and worldwide economies; a weak US dollar and increased shipping costs.

Item 4. - The 17 percent decrease in the number of new firms using the FTZ program in FY 08 can be attributed to the slowdown in the national and worldwide economies.

Item 5. - The decrease in the value of exports from all FTZ facilities in FY 08 was a result of a reduction of overall exports due to the slowing economy.

Item 6. - The decrease in users' employment attributed to participation in the FTZ program in FY 08 was the result of fewer additional hires by the Honolulu International Airport's Fueling Facilities Corporation (FFC).

Item 7. - The user survey related to user satisfaction in FY 08 had not yet been implemented.

Item 8. - The decrease in yearly special fund balance (total revenue less total expenditures) in FY 08 was due to an increase in expenditures for special "one-time" maintenance projects which included projects such as a renovation to the FTZ business office at the Pier 2 facility.

### **PART III - PROGRAM TARGET GROUPS**

### **PART IV - PROGRAM ACTIVITIES**

Item 1. - The increase in value of cargo in/out of the FTZ (excluding subzones) in FY 08 was due to the increase in fuel costs associated with the Honolulu International Airport's Fueling Facilities Corporation. Variance also due to inaccurate "Planned" estimates.

The estimated increase in value of cargo in/out of the FTZ (excluding subzones) in FY 09 is due to the projection of continued high fuel costs associated with the Honolulu International Airport's Fueling Facilities Corporation.

Item 2. - The increase in value of cargo in/out of subzones in FY 08 was due to the increase in fuel costs. Variance also due to inaccurate "Planned" estimates.

The estimated increase in value of cargo in/out of subzones in FY 09 is due to the anticipated increase in fuel costs.

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: FOREIGN TRADE ZONE**

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**01 01 03  
BED 107**

Item 3. - The decrease in the actual value of cargo in/out of the Pier 2 facility in FY 08 was a result of the relocation of a significant customer and attributed to a slowdown in the State and national economy; weak US dollar and increased shipping costs.

Item 5. - The decrease in advertising/marketing expenditures in FY 08 was due to budget constraints based on available funds.

Projected estimates for FY 09 have been updated as the FTZ is planning an increased marketing push to bring more users into the Foreign-Trade Zone program.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

12/13/08

PROGRAM-ID:

BED-142

PROGRAM STRUCTURE NO: 010104

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	35.00	34.00	- 1.00	3	35.00	34.00	- 1.00	3	35.00	34.00	- 1.00	3
EXPENDITURES (\$1000's)	2,606	2,303	- 303	12	554	532	- 22	4	1,095	1,816	+ 721	66
<b>TOTAL COSTS</b>												
POSITIONS	35.00	34.00	- 1.00	3	35.00	34.00	- 1.00	3	35.00	34.00	- 1.00	3
EXPENDITURES (\$1000's)	2,606	2,303	- 303	12	554	532	- 22	4	1,095	1,816	+ 721	66
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % CONTRACTS & LTRS OF AGMT PROC/REVWD W/IN 10 DAYS					100	100	+ 0	0	100	100	+ 0	0
2. % CHNG IN AMT OF FED & NONSTATE GRANT FUNDS RECD					0	33	+ 33	0	0	33	+ 33	0
3. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED					95	99	+ 4	4	95	95	+ 0	0
4. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)					2.0	2.0	+ 0	0	2.0	2.0	+ 0	0
5. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE					98	99	+ 1	1	98	98	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. STATE RESIDENT POPULATION (1000S)					1312	1292	- 20	2	1326	1303	- 23	2
2. STATE DE FACTO POPULATION (000S)					1447	1395	- 52	4	1464	1406	- 58	4
3. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)					258	258	+ 0	0	258	258	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF TESTIMONIES PRESENTED AT LEG HEARINGS					500	624	+ 124	25	500	500	+ 0	0
2. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED					162	104	- 58	36	162	150	- 12	7
3. # OF IFBS AND RFPS ADVERTISED					22	42	+ 20	91	22	42	+ 20	91
4. # OF CONTRACTS & LETTERS OF AGMT EXECUTED					278	250	- 28	10	278	235	- 43	15
5. # OF SUMMARY WARRANT VOUCHERS PROCESSED					3000	2062	- 938	31	3000	2000	- 1000	33
6. AMT OF FED & NONSTATE GRANT FUNDS RECD (\$1000S)					13000	16751	+ 3751	29	13000	13000	+ 0	0
7. # OF FORMAL GRIEVANCES FILED ANNUALLY					5	1	- 4	80	5	5	+ 0	0
8. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY					1050	939	- 111	11	1050	1050	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

**PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT**

**01 01 04  
BED 142**

### **PART I - EXPENDITURES AND POSITIONS**

The variance in the expenditures for FY 08 was primarily due to unexpended Grant-in-Aid appropriations. The variance in the expenditures for FY 09 is due to the legislative reduction and administrative restrictions on spending and hiring.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2: The increase in percentage of grant funds received was due to more grant funds drawn down for required program expenditures than the prior fiscal year.

### **PART III - PROGRAM TARGET GROUPS**

### **PART IV - PROGRAM ACTIVITIES**

Item 1. Variance is due to an increase in the number of environmental renewable energy related bills.

Item 2. There were fewer allotments generated or required by the divisions/agencies in FY 08.

Item 3 The variance increase in FY 08 and FY 09 is due to more funds being available to the programs.

Item 4. The variance in FY 08 and FY 09 is due to the increased usage of the P-cards due to the expanded scope of it's usage.

Item 5: The decrease in vouchers processed was due to the increase in the amount of expenditures paid through the P-Card Program. This decrease will continue due to a reduction in vouchers processed for vendor payments.

Item 6: The estimates of grant revenues were greater than the actual amounts drawn down and received for program expenditures for the fiscal

year.

Item 7. The planned number of grievances filed is an average and it is unpredictable as to the number of grievances that will be generated from year to year.

Item 8. The variance for FY 08 is due to inaccurate "Planned" estimates. Planned figures included classification transactions which should not have been included in the estimated figures.

## STATE OF HAWAII

PROGRAM TITLE:

TOURISM

PROGRAM-ID:

BED-113

PROGRAM STRUCTURE NO: 0102

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%	
PART I: EXPENDITURES & POSITIONS													
RESEARCH & DEVELOPMENT COSTS													
POSITIONS													
EXPENDITURES (\$1,000's)													
OPERATING COSTS													
POSITIONS	2.00	2.00	+	0.00	2.00	2.00	+	0.00	2.00	2.00	+	0.00	
EXPENDITURES (\$1000's)	138,689	136,807	-	1,882	140,064	8,161	-	131,903	0	131,903	+	131,903	
TOTAL COSTS													
POSITIONS	2.00	2.00	+	0.00	2.00	2.00	+	0.00	2.00	2.00	+	0.00	
EXPENDITURES (\$1000's)	138,689	136,807	-	1,882	140,064	8,161	-	131,903	0	131,903	+	131,903	
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09				
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%	
PART II: MEASURES OF EFFECTIVENESS													
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)					12.0	12.4	+	0.4	3	12.0	12.2	+	0.2
2. TOTAL TRANSIENT ACCOMMODATIONS TAX COLLECTION					231777	229378	-	2399	1	231777	232335	+	558
3. TOTAL VISITOR DAYS					68.1	67.7	-	0.4	1	68.1	65.3	-	2.8
4. TOTAL VISITOR ARRIVALS					7.4	7.3	-	0.1	1	7.4	7.1	-	0.3
5. AIR SEATS (\$MILLIONS)					10.024	9.9	-	0.124	1	10.024	8.7	-	1.324
6. HAWAII CONVENTION CENTER DELEGATE COUNT					104000	80968	-	23032	22	104000	96485	-	7515
PART III: PROGRAM TARGET GROUP													
1. # ORGANIZATIONS THAT HOLD NATIONAL CONVENTIONS					1989	NO DATA	-	1989	100	1989	NO DATA	-	1989
2. TOTAL LONG-HAUL TRAVEL VISITS - JAPAN (CALENDR YR)					16.2	17.3	+	1.1	7	16.2	17.3	+	1.1
3. # LEISURE TRIPS TAKEN BY AIRPLANE (US) (CY)					169.7	NO DATA	-	169.7	100	169.7	NO DATA	-	169.7
PART IV: PROGRAM ACTIVITY													
1. # SPORTING EVENTS ACTUALLY FUNDED					15	14	-	1	7	15	7	-	8
2. # PRODUCT ENRICHMT PROJECTS ACTUALLY FUNDED					125	119	-	6	5	125	131	+	6
3. # OF MAJOR FESTIVALS ACTUALLY FUNDED					11	8	-	3	27	11	8	-	3
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS					50	50	+	0	0	50	50	+	0
5. # OF STAKEHOLDER MEETINGS HELD					30	30	+	0	0	30	30	+	0
6. # OF PUBLICATIONS ISSUED					5	5	+	0	0	5	5	+	0

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

**PROGRAM TITLE: TOURISM**

**01 02  
BED 113**

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### **PART I - EXPENDITURES AND POSITIONS**

The variance for FY 09 expenditures is attributed to HTA's exemption to allot the full appropriation in the 1st quarter without reversion.

Item 3. A smaller number of festivals were approved for funding.

### **PART II - MEASURES OF EFFECTIVENESS**

Overall variances are due to staff's over/underestimating.

Item 1. Increase in per per person per day spending helped to boost overall visitor expenditures.

Item 2. Lower hotel occupancy reduced the amount of Transient Accommodation Tax funds earned.

Items 3-6. A combination of airline closures, increasing fuel prices and airline tickets, and the start of an economic downturn all contributed to lower counts.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. Data not available from Travel Industry Association.

Item 2. More outbound travel by Japanese visitors occurred than estimated.

Item 3. Data is no longer tracked by the meetings and professional organization. Figures are based on % increases or decreases in the number of meetings.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. Less sporting events were approved for funding by the Sports Investigative Committee.

Item 2. Less product enrichment projects were approved for funding collectively from the various CPEP evaluation groups from various counties.

STATE OF HAWAII  
PROGRAM TITLE: AGRICULTURE  
PROGRAM-ID:  
PROGRAM STRUCTURE NO: 0103

## VARIANCE REPORT

REPORT V61  
12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	329.00	285.00	- 44.00	13	331.00	278.00	- 53.00	16	331.00	290.00	- 41.00	12
EXPENDITURES (\$1000's)	46,028	33,247	- 12,781	28	8,117	7,393	- 724	9	31,725	33,147	+ 1,422	4
TOTAL COSTS												
POSITIONS	329.00	285.00	- 44.00	13	331.00	278.00	- 53.00	16	331.00	290.00	- 41.00	12
EXPENDITURES (\$1000's)	46,028	33,247	- 12,781	28	8,117	7,393	- 724	9	31,725	33,147	+ 1,422	4
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. DIVERSIFIED AGR FARM VALUE (\$M)					470.2	NO DATA	- 470.2	100	487.1	NO DATA	- 487.1	100
2. TOTL AGR FARM VALUE/OTHR FARM REL ACT (\$M)					597.6	NO DATA	- 597.6	100	613.1	NO DATA	- 613.1	100

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO:

FINANCIAL ASSISTANCE FOR AGRICULTURE

AGR-101

010301

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	10.00	9.00	-	1.00	10	10.00	9.00	-	1.00	10	10.00	9.00	-	1.00	10
EXPENDITURES (\$1000's)	6,105	1,860	-	4,245	70	754	754	+	0	0	5,351	5,401	+	50	1
TOTAL COSTS															
POSITIONS	10.00	9.00	-	1.00	10	10.00	9.00	-	1.00	10	10.00	9.00	-	1.00	10
EXPENDITURES (\$1000's)	6,105	1,860	-	4,245	70	754	754	+	0	0	5,351	5,401	+	50	1
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.															

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE**

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**01 03 01  
AGR 101**

### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 08 were due to position vacancies and the lower dollar amount in loans granted.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## VARIANCE REPORT

PROGRAM TITLE:

PRODCVTY IMPRVMT &amp; MGT ASSTNCE FOR AGR

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	203.00	174.00	- 29.00	14	203.00	171.00	- 32.00	16	203.00	171.00	- 32.00	16
EXPENDITURES (\$1000's)	16,402	14,436	- 1,966	12	3,315	3,315	+ 0	0	12,527	12,755	+ 228	2
<b>TOTAL COSTS</b>												
POSITIONS	203.00	174.00	- 29.00	14	203.00	171.00	- 32.00	16	203.00	171.00	- 32.00	16
EXPENDITURES (\$1000's)	16,402	14,436	- 1,966	12	3,315	3,315	+ 0	0	12,527	12,755	+ 228	2
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

12/13/08

PROGRAM-ID:

AGR-122

PROGRAM STRUCTURE NO: 01030201

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	147.00	121.00	- 26.00	18	147.00	119.00	- 28.00	19	147.00	119.00	- 28.00	19
EXPENDITURES (\$1000's)	11,129	9,799	- 1,330	12	2,196	2,196	+ 0	0	8,388	8,415	+ 27	0
TOTAL COSTS												
POSITIONS	147.00	121.00	- 26.00	18	147.00	119.00	- 28.00	19	147.00	119.00	- 28.00	19
EXPENDITURES (\$1000's)	11,129	9,799	- 1,330	12	2,196	2,196	+ 0	0	8,388	8,415	+ 27	0
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL**

**01 03 02 01  
AGR 122**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 08 were due to vacant positions and less than expected special and federal fund expenditures.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## VARIANCE REPORT

PROGRAM TITLE:

ANIMAL PEST AND DISEASE CONTROL

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030202

	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%		
PART I: EXPENDITURES & POSITIONS																	
RESEARCH & DEVELOPMENT COSTS																	
POSITIONS																	
EXPENDITURES (\$1,000's)																	
OPERATING COSTS																	
POSITIONS	56.00	53.00	-	3.00	5	56.00	52.00	-	4.00	7	56.00	52.00	-	4.00	7		
EXPENDITURES (\$1000's)	5,273	4,637	-	636	12	1,119	1,119	+	0	0	4,139	4,340	+	201	5		
TOTAL COSTS																	
POSITIONS	56.00	53.00	-	3.00	5	56.00	52.00	-	4.00	7	56.00	52.00	-	4.00	7		
EXPENDITURES (\$1000's)	5,273	4,637	-	636	12	1,119	1,119	+	0	0	4,139	4,340	+	201	5		
						FISCAL YEAR 2007-08					FISCAL YEAR 2008-09						
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%		
PART II: MEASURES OF EFFECTIVENESS																	
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.						NO DATA	NO DATA	+		0	0	NO DATA	NO DATA	+		0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

RABIES QUARANTINE

12/13/08

PROGRAM-ID:

AGR-131

PROGRAM STRUCTURE NO: 0103020201

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	32.00	30.00	- 2.00	6	32.00	30.00	- 2.00	6	32.00	30.00	- 2.00	6
EXPENDITURES (\$1000's)	3,053	2,646	- 407	13	597	597	+ 0	0	2,456	2,485	+ 29	1
TOTAL COSTS												
POSITIONS	32.00	30.00	- 2.00	6	32.00	30.00	- 2.00	6	32.00	30.00	- 2.00	6
EXPENDITURES (\$1000's)	3,053	2,646	- 407	13	597	597	+ 0	0	2,456	2,485	+ 29	1

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

01 03 02 02 01  
AGR 131

**PROGRAM TITLE: RABIES QUARANTINE**

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### **PART I - EXPENDITURES AND POSITIONS**

Variance in FY 08 expenditures was largely due to vacancies in temporary positions.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

ANIMAL DISEASE CONTROL

PROGRAM-ID:

AGR-132

PROGRAM STRUCTURE NO: 0103020202

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	24.00	23.00	-	1.00	4	24.00	22.00	-	2.00	8	24.00	22.00	-	2.00	8
EXPENDITURES (\$1000's)	2,220	1,991	-	229	10	522	522	+	0	0	1,683	1,855	+	172	10
TOTAL COSTS															
POSITIONS	24.00	23.00	-	1.00	4	24.00	22.00	-	2.00	8	24.00	22.00	-	2.00	8
EXPENDITURES (\$1000's)	2,220	1,991	-	229	10	522	522	+	0	0	1,683	1,855	+	172	10
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.															

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: ANIMAL DISEASE CONTROL**

**01 03 02 02 02  
AGR 132**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 08 - Variance in expenditures was due to the amount of federal funds received was less than budgeted.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## VARIANCE REPORT

PROGRAM TITLE:

PRODUCT DEVELOPMENT AND MARKETING FOR AGR

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010303

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	66.00	57.00	- 9.00	14	66.00	53.00	- 13.00	20	66.00	58.00	- 8.00	12
EXPENDITURES (\$1000's)	11,920	8,428	- 3,492	29	2,125	1,401	- 724	34	7,661	8,384	+ 723	9
TOTAL COSTS												
POSITIONS	66.00	57.00	- 9.00	14	66.00	53.00	- 13.00	20	66.00	58.00	- 8.00	12
EXPENDITURES (\$1000's)	11,920	8,428	- 3,492	29	2,125	1,401	- 724	34	7,661	8,384	+ 723	9

	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## VARIANCE REPORT

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	22.00	18.00	- 4.00	18	22.00	17.00	- 5.00	23	22.00	22.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,989	4,533	- 2,456	35	1,343	619	- 724	54	3,931	4,600	+ 669	17
<b>TOTAL COSTS</b>												
POSITIONS	22.00	18.00	- 4.00	18	22.00	17.00	- 5.00	23	22.00	22.00	+ 0.00	0
EXPENDITURES (\$1000's)	6,989	4,533	- 2,456	35	1,343	619	- 724	54	3,931	4,600	+ 669	17
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % SEEDLINGS DISTRIBUTED OR SOLD COMPARED TO GOAL					100	119	+ 19	19	100	100	+ 0	0
2. % ACRES TREE PLANTING/REFORSTTN COMPARED TO GOAL					66	2033	+ 1967	2980	100	100	+ 0	0
3. % BOARD FEET TIMBER HARVESTED COMP TO GOAL					100	142	+ 42	42	100	100	+ 0	0
4. % LNDOWNRS/ORGS/COMM ASSISTED COMPARED TO GOAL					100	3523	+ 3423	3423	100	100	+ 0	0
5. % FUNDS LEVERAGED COMPARED TO GOAL					100	299	+ 199	199	100	100	+ 0	0
6. % ACRES ACQ/SECURD FOR CONSERVTN COMPRD TO GOAL					100	2906	+ 2806	2806	100	100	+ 0	0
7. % DEPTL LANDS UNDR COMM TIMBER MGMT COMP TO GOAL					80	76	- 4	5	100	100	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FOREST PRODCT PROCESSRS, RELTD BUSNSS/INVSTRS (#)					15	411	+ 396	2640	15	150	+ 135	900
2. FOREST AND OTHER LANDOWNERS (NUMBER)					10	1006	+ 996	9960	10	50	+ 40	400
3. WATERSHED PARTNERS (NUMBER)					50	50	+ 0	0	50	50	+ 0	0
4. COMMUNITY VOLUNTEER ORGANIZATIONS (NUMBER)					50	697	+ 647	1294	50	100	+ 50	100
<b>PART IV: PROGRAM ACTIVITY</b>												
1. PRODUCE & DISTRIBUTE OR SELL 60,000 TREE SEEDLINGS					60000	71450	+ 11450	19	60000	60000	+ 0	0
2. PLANT OR REFOREST 150 ACRES OF DEPARTMENTAL LANDS					100	2033	+ 1933	1933	150	150	+ 0	0
3. PROMOTE HARVST 50,000 BD FT OF TIMBER FRM DEPTL LND					50000	70993	+ 20993	42	100000	100000	+ 0	0
4. PROVIDE TECH FORSTRY ASSIST TO LNDOWNRS/ORG/COMM					60	2114	+ 2054	3423	60	300	+ 240	400
5. LEVERAGE IN ADDL FUNDS/ASSOC SVCS (\$MIL) THRU PRGM					3	8.98	+ 5.98	199	3	3	+ 0	0
6. ACQUIRE/SECURE 2,000 ACRES ADDTN TO FOREST RES SYS					2000	58122	+ 56122	2806	2000	2000	+ 0	0
7. PLACE 12,000 ACRES DEPTL LND UNDER COMM TIMBR MGT					12000	9125	- 2875	24	12000	10000	- 2000	17

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

01 03 03 01  
LNR 172

### PROGRAM TITLE: FORESTRY - PRODUCTS DEVELOPMENT

#### **PART I - EXPENDITURES AND POSITIONS**

Actual positions filled were fewer than budgeted due to position turnover and delays in recruitment, and employees being temporarily assigned to other positions. Funds expended were less than budgeted due to several large-scale projects proceeding more slowly than anticipated.

#### **PART II - MEASURES OF EFFECTIVENESS**

Many planned measures are based on timber land licenses involving the Waiakea Timber Management Area (WTMA) on the Big Island, and may include other lands in the future. Many planned measures in FY 08 were vastly exceeded due to unanticipated, one-time events or actions. For example, reforestation acres increased sharply due to emergency reforestation following a wildfire in Kula Forest Reserve; Landowner assistance increased due to a one-time series of public workshops provided; Acres acquired for conservation rose sharply due to larger than normal closings on land transfers and securing more conservation easements than typical.

Number of acres under commercial management did not hit target due to lack of interest. While more commercial interest is anticipated for FY 09, a decrease in target acres under commercial lands under timber management is recommended to reflect current trends in license and lease negotiations, which may take a few years to execute.

Revenue generated from sale of seedlings from Department tree nurseries and from forest product commercial harvest permits increased due to increased demand and the availability of an updated forest product commercial harvest permit. Estimated measures for revenue and board feet of timber harvested are expected to increase further in FY 09 due to greater emphasis on issuing permits, recent changes to Hawaii Revised Statutes relating to forest product revenues, and disposition of additional large-scale timber licenses or commercial timberland leases.

#### **PART III - PROGRAM TARGET GROUPS**

The Division has established and maintains cooperative efforts with forest

landowners, watershed partners and volunteer organizations at planned levels. Such partnerships with forest product processors and related businesses increased sharply in FY 08 but are anticipated to increase more modestly in FY 09, as reflected in adjusted target levels.

#### **PART IV - PROGRAM ACTIVITIES**

Seedling production is likely to increase with active utilization of timber resources by timber licensees once they become operational in the WTMA. Departmental lands under commercial management increased with the addition of lands under license to Hawaii Island Hardwoods during FY08. By FY09, increased revenues from timber sales and continued position recruitment efforts are anticipated.

The Department provided enhanced technical forestry assistance to landowners, communities and businesses through enhancement of existing programs, special workshops improved documentation of the incidence of such requests from the public. Actual dollars leveraged through program implementation were boosted by success in obtaining a one-time land and easement acquisition grant funding for private forest lands at Moanalua, Oahu and South Kona, Hawaii.

Position vacancies are being held in part to support budget reductions and will be filled when state revenues rise and Administration authorization is granted to the Department.

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030302

QUALITY AND PRICE ASSURANCE

AGR-151

## VARIANCE REPORT

REPORT V61

12/13/08

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%		
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	26.00	22.00	-	4.00	15	26.00	21.00	-	5.00	19	26.00	21.00	-	5.00	19		
	2,476	1,648	-	828	33	478	478	+	0	0	1,950	1,959	+	9	0		
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	26.00	22.00	-	4.00	15	26.00	21.00	-	5.00	19	26.00	21.00	-	5.00	19		
	2,476	1,648	-	828	33	478	478	+	0	0	1,950	1,959	+	9	0		
						FISCAL YEAR 2007-08					FISCAL YEAR 2008-09						
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%		
PART II: MEASURES OF EFFECTIVENESS																	
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+		0	0	NO DATA	NO DATA	+		0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

01 03 03 02  
AGR 151

**PROGRAM TITLE: QUALITY AND PRICE ASSURANCE**

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### **PART I - EXPENDITURES AND POSITIONS**

Variance in FY 08 positions were due to vacancies pending recruitment and filling.

Variance in FY 08 expenditures were due to less than expected expenditures from the Certification Services Revolving Fund and less than expected funds passing through the Commodities Temporary Deposit and Milk Producers Settlement trust funds.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

AGRICULTURAL DEVELOPMENT &amp; MARKETING

12/13/08

PROGRAM-ID:

AGR-171

PROGRAM STRUCTURE NO: 01030303

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	18.00	17.00	-	1.00	6	18.00	15.00	-	3.00	17	18.00	15.00	-	3.00	17
EXPENDITURES (\$1000's)	2,455	2,247	-	208	8	304	304	+	0	0	1,780	1,825	+	45	3
TOTAL COSTS															
POSITIONS	18.00	17.00	-	1.00	6	18.00	15.00	-	3.00	17	18.00	15.00	-	3.00	17
EXPENDITURES (\$1000's)	2,455	2,247	-	208	8	304	304	+	0	0	1,780	1,825	+	45	3
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09						
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%			
PART II: MEASURES OF EFFECTIVENESS															
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0	

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING**

**01 03 03 03  
AGR 171**

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### **PART I - EXPENDITURES AND POSITIONS**

No significant variances.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## VARIANCE REPORT

PROGRAM TITLE:

GENERAL SUPPORT FOR AGR

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010304

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	50.00	45.00	- 5.00	10	52.00	45.00	- 7.00	13	52.00	52.00	+ 0.00	0
EXPENDITURES (\$1000's)	11,601	8,523	- 3,078	27	1,923	1,923	+ 0	0	6,186	6,607	+ 421	7
TOTAL COSTS												
POSITIONS	50.00	45.00	- 5.00	10	52.00	45.00	- 7.00	13	52.00	52.00	+ 0.00	0
EXPENDITURES (\$1000's)	11,601	8,523	- 3,078	27	1,923	1,923	+ 0	0	6,186	6,607	+ 421	7
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 01030401

AGRICULTURAL RESOURCE MANAGEMENT

AGR-141

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	21.00	17.00	- 4.00	19	23.00	18.00	- 5.00	22	23.00	23.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,708	2,443	- 3,265	57	1,026	1,026	+ 0	0	1,819	1,943	+ 124	7
TOTAL COSTS												
POSITIONS	21.00	17.00	- 4.00	19	23.00	18.00	- 5.00	22	23.00	23.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,708	2,443	- 3,265	57	1,026	1,026	+ 0	0	1,819	1,943	+ 124	7
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT**

**01 03 04 01  
AGR 141**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 08 were due to vacant positions and less than expected expenditures from the Irrigation System revolving fund and the Agricultural Park special fund.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

STATE OF HAWAII

PROGRAM TITLE:

AGRIBUSINESS DEVELOPMENT

PROGRAM-ID:

AGR-161

PROGRAM STRUCTURE NO: 01030402

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	3,501	3,606	+	105	3	466	466	+	0	0	3,035	3,069	+	34	1
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	3,501	3,606	+	105	3	466	466	+	0	0	3,035	3,069	+	34	1

	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT**

**01 03 04 02  
AGR 161**

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### **PART I - EXPENDITURES AND POSITIONS**

No significant variances.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## STATE OF HAWAII

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

PROGRAM-ID:

AGR-192

PROGRAM STRUCTURE NO: 01030403

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	29.00	28.00	-	1.00	3	29.00	27.00	-	2.00	7	29.00	29.00	+	0.00	0
EXPENDITURES (\$1000's)	2,392	2,474	+	82	3	431	431	+	0	0	1,332	1,595	+	263	20
TOTAL COSTS															
POSITIONS	29.00	28.00	-	1.00	3	29.00	27.00	-	2.00	7	29.00	29.00	+	0.00	0
EXPENDITURES (\$1000's)	2,392	2,474	+	82	3	431	431	+	0	0	1,332	1,595	+	263	20

	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. ANNUAL ACREAGE CULTIVATED BY NEW BORROWERS	350	NO DATA	-	350	100	350	NO DATA	-	350	100
2. # CURR CHEM/MECH/BIO PROJ HI CON % PROJ ATTEMP	83	NO DATA	-	83	100	83	NO DATA	-	83	100
3. # INVASIVE SPEC INTERCEPT PRIOR TO ESTAB IN HAWAII	400	NO DATA	-	400	100	400	NO DATA	-	400	100
4. # CASES OF RABIES IN COMMUNITY	0	NO DATA	+	0	0	0	NO DATA	+	0	0
5. # FORGN REP DISEASE OF LIVSTOK, POULTRY & AQUACUL	0	NO DATA	+	0	0	0	NO DATA	+	0	0
6. % AGR PARK/NON-AGR PARK LNDS DEVE & IN PRDTIVE USE	90	NO DATA	-	90	100	90	NO DATA	-	90	100
7. # ACRES IRRIGATED BY ST SUPPORT IRRIGATION SYS	54446	NO DATA	-	54446	100	54446	NO DATA	-	54446	100
8. % FOOD SAFE AUDITS ID VER & CERT REQ FULFILLED	100	NO DATA	-	100	100	100	NO DATA	-	100	100
9. RETURN INVESTMENT RATE ON TRADE SHOWS (RATIO X:1)	15	NO DATA	-	15	100	15	NO DATA	-	15	100
10. # OF RESEARCH PROJ ADDRESSING INDUSTRY PRIORITIES	10	NO DATA	-	10	100	10	NO DATA	-	10	100

PART III: PROGRAM TARGET GROUP											
1.	# FARMERS/NEW FARMERS INCLUDING AQUACULTURISTS	5600	NO DATA	-	5600	100	5600	NO DATA	-	5600	100
2.	# AGRICULTURE/AQUACULTURE COOPERATIVES	25	NO DATA	-	25	100	25	NO DATA	-	25	100
3.	# OF HAWAII RESIDENTS	1306219	NO DATA	-	1306219	100	1320587	NO DATA	-	1320587	100
4.	# REGULATED BAG, CARGO, MAIL (PARCELS IN 000'S)	16	NO DATA	-	16	100	16	NO DATA	-	16	100
5.	# WIDESPREAD NOXIOUS WEED/INSECTS/PEST INFESTATION	300	NO DATA	-	300	100	300	NO DATA	-	300	100
6.	# PRODUCERS/PROCESSORS OF AGR & FISHERY PRODUCT	5500	NO DATA	-	5500	100	5500	NO DATA	-	5500	100
7.	# WHOLESALE/RETAILERS OF AGR & FISHERY PRODS	840	NO DATA	-	840	100	840	NO DATA	-	840	100

PART IV: PROGRAM ACTIVITY										
1. # OF NEW LOANS APPROVED	25	NO DATA	-	25	100	25	NO DATA	-	25	100
2. # BAG/CARGO/MAIL INSPECTED (IN THOUSANDS)	14000	NO DATA	-	14000	100	14000	NO DATA	-	14000	100
3. # BIO & CHEM/MECH CONTROL PROJECTS	20	NO DATA	-	20	100	20	NO DATA	-	20	100
4. # LIVSTOK/EX ANIM/BIRDS/NON-DOM ANMLS INS ON ENTRY	950000	NO DATA	-	950000	100	950000	NO DATA	-	950000	100
5. # LABS COND LIVSTOK/POLTRY DIS SUR IMP AML/DOG/CAT	25000	NO DATA	-	25000	100	25000	NO DATA	-	25000	100
6. # CERT ISS GRADE/COND OF AGR COMOD & FISHERY PROD	3000	NO DATA	-	3000	100	3000	NO DATA	-	3000	100
7. # AGR & VALUE-ADD PROD PROM ACTIVITIES CONDUCTED	10	NO DATA	-	10	100	10	NO DATA	-	10	100
8. # CURR AGR WATER DEVELOP STD/INVEST & IMP PROJ	13	NO DATA	-	13	100	13	NO DATA	-	13	100
9. # AGRBUS DEV CORP BOARD-APP LAND INFRASTRUC PROJ	12	NO DATA	-	12	100	13	NO DATA	-	13	100
10. # AQUACULTURE PERMIT & DISEASE ASSIST PROVIDED	445	NO DATA	-	445	100	475	NO DATA	-	475	100

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE**

**01 03 04 03  
AGR 192**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 08 - Variance in planned expenditures is due to collective bargaining augmentation and the transfer of funds into AGR 192 to compensate for budget reductions reflected in Act 158, SLH 2008.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, the listed measures of effectiveness do not apply to this program as reflected in Act 213, SLH 2007, as amended by Act 158, SLH 2008.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, the listed program target groups do not apply to this program as reflected in Act 213, SLH 2007, as amended by Act 158, SLH 2008.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, the listed program activities do not apply to this program as reflected in Act 213, SLH 2007, as amended by Act 158, SLH 2008.

## VARIANCE REPORT

PROGRAM TITLE:

FISHERIES AND AQUACULTURE

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0104

	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	19.00	17.00	-	2.00	11	18.00	17.00	-	1.00	6	18.00	18.00	+	0.00	0
EXPENDITURES (\$1000's)	2,576	2,860	+	284	11	1,052	968	-	84	8	1,551	1,608	+	57	4
TOTAL COSTS															
POSITIONS	19.00	17.00	-	2.00	11	18.00	17.00	-	1.00	6	18.00	18.00	+	0.00	0
EXPENDITURES (\$1000's)	2,576	2,860	+	284	11	1,052	968	-	84	8	1,551	1,608	+	57	4

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
1. NEW STRUCTURE LEVEL ESTABLISHED BY LEGISLATURE.	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## VARIANCE REPORT

PROGRAM TITLE:

COMMERCIAL FISHERIES &amp; RESOURCE ENHANCEMENT

12/13/08

PROGRAM-ID:

LNR-153

PROGRAM STRUCTURE NO: 010402

	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	11.00	10.00	-	1.00	9	10.00	9.00	-	1.00	10	10.00	10.00	+	0.00	0
EXPENDITURES (\$1000's)	1,849	2,288	+	439	24	833	749	-	84	10	1,043	1,100	+	57	5
TOTAL COSTS															
POSITIONS	11.00	10.00	-	1.00	9	10.00	9.00	-	1.00	10	10.00	10.00	+	0.00	0
EXPENDITURES (\$1000's)	1,849	2,288	+	439	24	833	749	-	84	10	1,043	1,100	+	57	5
						FISCAL YEAR 2007-08					FISCAL YEAR 2008-09				
						PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. SUCCESSFUL OVERALL FISHERY PROGRAM						22	NO DATA	-	22	100	22	NO DATA	-	22	100
2. ENJOYMENT OF HAWAII'S FISHERY & AQUATIC RESOURCES						50	NO DATA	-	50	100	51	NO DATA	-	51	100
3. VIBRANT FISHERY ECONOMY						95	NO DATA	-	95	100	95	NO DATA	-	95	100
4. SUSTAINABLE SUPPT OF CULTURAL/NATIVE HWN PRAC/ACTV						1	NO DATA	-	1	100	1	NO DATA	-	1	100
5. NEW TECH FOR REARING/RESTOCKING IMPT SPECIES						4	NO DATA	-	4	100	4	NO DATA	-	4	100
6. SUFFICIENT EFFORTS AT PUBLIC OUTREACH						2	NO DATA	-	2	100	2	NO DATA	-	2	100
PART III: PROGRAM TARGET GROUP															
1. FISHING PUBLIC (SUBSIS, RECR, COMMERCL): THOUSANDS						168	NO DATA	-	168	100	170	NO DATA	-	170	100
2. NON-FISHING (NON-CONSUMPTIVE) PUBLIC: THOUSANDS						10	NO DATA	-	10	100	10	NO DATA	-	10	100
3. AFFECTED BUSINESSES (DEALERS, SPPT SVCS): HUNDREDS						5	NO DATA	-	5	100	5	NO DATA	-	5	100
4. NATIVE PEOPLES (CULTRL/TRADTNL) IMPORTANCE: 000'S						6	NO DATA	-	6	100	6	NO DATA	-	6	100
PART IV: PROGRAM ACTIVITY															
1. NO. OF COMMERCIAL MARINE FISHERMEN LICENSES ISSUED						4	NO DATA	-	4	100	4	NO DATA	-	4	100
2. NUMBER OF RECREATIONAL FISHERMEN LICENSES ISSUED						5	NO DATA	-	5	100	5	NO DATA	-	5	100
3. NO. OF IMPORTANT MARINE SPECIES REARED & RELEASED						10	NO DATA	-	10	100	10	NO DATA	-	10	100
4. NUMBER OF PUBLIC FISHING AREAS MANAGED						38	NO DATA	-	38	100	38	NO DATA	-	38	100
5. NO. OF ARTIFICIAL REEF & FISH AGGR DEVICE PROJECTS						62	NO DATA	-	62	100	62	NO DATA	-	62	100

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT**

**01 04 02  
LNR 153**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 08: A vacant fishery technician position at year-end is under recruitment. Actual expenditure reflect authorized Federal-fund spending increases.

FY 09: Position count during the 1st quarter is lower as a vacant position is under recruitment. Actual 1st quarter expenditures are lower due to a delay in encumbering contracts until the 2nd quarter, however, overall expenditures are higher due to approved increase in expenditure of Federal Funds.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, this measures of effectiveness does not apply to this program reflected in Act 213, SLH 2007, as amended by Act 158, SLH 2008. Data for measures of effectiveness is available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, this program target group does not apply to this program reflected in Act 213, SLH 2007, as amended by Act 158, SLH 2008. Data for program target group is available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, this program activities does not apply to this program reflected in Act 213, SLH 2007, as amended by Act 158, SLH 2008. Data for program activities is available upon request.

STATE OF HAWAII

PROGRAM TITLE:

AQUACULTURE DEVELOPMENT

PROGRAM-ID:

AGR-153

PROGRAM STRUCTURE NO: 010403

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ESTIMATED	+ CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	8.00	7.00	-	1.00	13	8.00	8.00	+	0.00	0	8.00	8.00	+	0.00	0
EXPENDITURES (\$1000's)	727	572	-	155	21	219	219	+	0	0	508	508	+	0	0
TOTAL COSTS															
POSITIONS	8.00	7.00	-	1.00	13	8.00	8.00	+	0.00	0	8.00	8.00	+	0.00	0
EXPENDITURES (\$1000's)	727	572	-	155	21	219	219	+	0	0	508	508	+	0	0
						FISCAL YEAR 2007-08					FISCAL YEAR 2008-09				
						PLANNED	ACTUAL	+ CHANGE		%	PLANNED	ESTIMATED	+ CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. EXEC PGM STRUCTURE CHANGES NOT APPROVED BY LEG.						NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: AQUACULTURE DEVELOPMENT**

**01 04 03  
AGR 153**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 08 were due to restrictions, lack of federal funds and less than anticipated expenditures from the Aquaculture Development special fund.

### **PART II - MEASURES OF EFFECTIVENESS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no measures of effectiveness are available for this program. Data for measures of effectiveness are available upon request.

### **PART III - PROGRAM TARGET GROUPS**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program target groups are available for this program. Data for target groups are available upon request.

### **PART IV - PROGRAM ACTIVITIES**

Because the Executive's proposed FB 07-09 Program Structure was not approved, no program activities are available for this program. Data for program activities are available upon request.

## VARIANCE REPORT

PROGRAM TITLE: TECHNOLOGY

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0105

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	12.00	10.00	- 2.00	17	12.00	10.00	- 2.00	17	12.00	11.00	- 1.00	8
EXPENDITURES (\$1000's)	36,903	17,965	- 18,938	51	13,245	11,872	- 1,373	10	27,953	27,365	- 588	2
TOTAL COSTS												
POSITIONS	12.00	10.00	- 2.00	17	12.00	10.00	- 2.00	17	12.00	11.00	- 1.00	8
EXPENDITURES (\$1000's)	36,903	17,965	- 18,938	51	13,245	11,872	- 1,373	10	27,953	27,365	- 588	2
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. INCR IN LEVERAGING PUBLIC INV W/PRIV CAPITAL					5000000	1400000	- 3600000	72	5000000	5000000	+ 0	0
2. INCR IN # OF VENTURE CAPITAL PARTNERSHIPS ESTAB					1	0	- 1	100	2	1	- 1	50
3. # OF COMPANIES ASSISTED (HTDC)					59200	34723	- 24477	41	60400	32290	- 28110	47
4. AMOUNT OF NELHA TENANT SALES (\$M)					68.2	52.9	- 15.3	22	75.0	54	- 21	28
5. INCREASE IN NELHA REVENUES (\$K)					1074	304	- 770	72	1573	1479	- 94	6

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## VARIANCE REPORT

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	9.00 5,407	7.00 3,721	- -	2.00 1,686	22 31	9.00 922	7.00 717	- -	2.00 205	22 22	9.00 4,715	8.00 4,557	- -	1.00 158	11 3
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	9.00 5,407	7.00 3,721	- -	2.00 1,686	22 31	9.00 922	7.00 717	- -	2.00 205	22 22	9.00 4,715	8.00 4,557	- -	1.00 158	11 3

PART II: MEASURES OF EFFECTIVENESS 1. # QUALIFIED TRADE LEADS GENERATED 2. #BUS/ORGs PARTIC IN OUTRCH, MKT & INDUS DEV ACTIV 3. DECLINE IN ENERGY USE PER CAP/PER ECON OUTPUT UNIT 4. RATIO OF EXTERNAL:ST MATCH SPPT OF COOP PRJ (X:1)	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
	202	3784	+	3582	1773	202	3506	+	3304	1636
	610	1515	+	905	148	510	1117	+	607	119
	6990	4641	-	2349	34	6980	6980	+	0	0
	5.71	.80	-	4.91	86	5.71	3.54	-	2.17	38

PART III: PROGRAM TARGET GROUP 1. # BUS/ORG INTERSTD IN ENERGY/ENV/OCEAN/RECY PROD 2. ENERGY CONSUMERS STATEWIDE 3. ENERGY PRODUCERS STATEWIDE										
	676	1242	+	566	84	676	1400	+	724	107
	1414415	1406133	-	8282	1	1424203	1408000	-	16203	1
	58	55	-	3	5	58	58	+	0	0

PART IV: PROGRAM ACTIVITY 1. # BUSINESS DEV & PROMO ACTIVITIES DEV & SUPPORTED 2. # IND/MARKET DEV ASSESSMENTS CONDUCTED 3. # INDUSTRY OUTREACH PROJECTS DEV & IMPLEMENTED 4. # ENERGY EFFIC & RENWBLE ENRG PROJ DEV & IMPLMTD										
	5	38	+	33	660	5	44	+	39	780
	3	22	+	19	633	3	1	-	2	67
	8	26	+	18	225	8	90	+	82	1025
	15	28	+	13	87	15	39	+	24	160

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

**PROGRAM TITLE: STRATEGIC INDUSTRIES**

**01 05 01  
BED 120**

### **PART I - EXPENDITURES AND POSITIONS**

FY 08: We were not able to fill two positions as of 6/30/08. Project deferrals and delays can be attributed to decreased expenditures significantly less than budgeted.

FY 09: We will not be filling one position in FY 09. Project deferrals and delays can be attributed to decreased expenditures significantly less than budgeted.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. # QUALIFIED TRADE LEADS GENERATED. Additional funding for the aerospace program and participation in PowerGen, a trade show, increased the number of qualified trade leads.

Item 2. #BUS/ORGS PARTIC IN OUTRCH, MKT & INDUS DEV ACTIV. There was an increased interest in the Rebuild Hawaii Project, energy efficiency, and renewables.

Item 3. DECLINE IN ENERGY USE PER CAP/PER ECON OUTPUT UNIT. Over estimated the energy use per capita/per economic output unit.

Item 4. RATIO OF INDUSTRY STATE \$ COOP ACT.

FY 2008: The federal to state funding support ratio decreased from 6.58:1 to .80:1 since there was a significant decrease in competitive federal grants in FY 2008.

FY 2009. The federal to state funding support ratio increased from .80:1 to 3.54:1 since general fund support is projected to decrease while federal funds increase in FY 2009.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. # BUS/ORG INTERESTED IN ENERGY/ENV/OCEAN/RECY PROD. The interest in energy efficiency and renewable projects developed increased the number of interested participants. Staff

attendance at conferences resulted in a greater number of contacts and networking opportunities. There was also an increase in the number of businesses wanting to start-up in Hawaii.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. # BUSINESS DEV & PROMO ACTIVITIES DEV & SUPPORTED. The Science and Technology Branch was able to leverage funds to support new events such as PISCES 2007 and the Pac Rim Summit. Workshops and forums sponsored by other organizations increased the request for speakers from the Division.

Item 2. # IND/MARKET DEV ASSESSMENTS CONDUCTED. In FY 08, because of the increasing cost of energy, there was a high interest in alternative sources of energy and clean renewables. The projected loss of funds for the Rebuild Hawaii program in FY 09 will result in a decrease of market development assessments conducted.

Item 3. # INDUSTRY OUTREACH PROJECTS DEV & IMPLEMENTED. Implementation of projects like the Hawaii Clean Energy Initiative, the memorandum of understanding with the electric utilities will increase the number of outreach projects developed and implemented. Other activities included Energy Council meetings and emergency energy exercises.

Item 4. # ENERGY EFFIC & RENWBLE PROJ DEV & IMPLMTD. Grants allowed for the implementation of more projects. The Division participated and plans to be an active participant in Integrated Resource Planning meetings and Public Utilities Commission's proceedings like the Decoupling Mechanism and the Feed-In Tariffs.

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	3.00	3.00	+	0.00	3.00	3.00	+	0.00	3.00	3.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	9,845	4,433	-	5,412	2,192	1,386	-	806	7,753	6,961	-	792
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	3.00	3.00	+	0.00	3.00	3.00	+	0.00	3.00	3.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	9,845	4,433	-	5,412	2,192	1,386	-	806	7,753	6,961	-	792
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS					190	156	-	34	220	176	-	44
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED					59200	34723	-	24477	60400	32290	-	28110
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF POTENTIAL TECH-BASED COMPANIES					1160	1350	+	190	1290	1350	+	60
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES					35	13	-	22	40	21	-	19
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF CONTACTS AND RESPONSES					248900	140474	-	108426	255000	130920	-	124080

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

**PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

01 05 02  
BED 143

### **PART I - EXPENDITURES AND POSITIONS**

The FY 08 variance is due to inactivity of the \$1.5m revolving loan fund that lacks seed money and lower than budgeted special and federal fund expenditures. Major variances in the special fund includes: 1) \$1.5m unused appropriation for new tech projects and/or to develop new tech centers if opportunities arise; 2) disbursement of tech centers facility expenses through an approved asset management contract and client account; and 3) the unused budget contingency to use special funds to pay for expenses to meet federal grant matching requirement. The federal fund variance includes: 1) approx. \$145k budgeted in excess of actual expenditures by Manufacturing Extension Partnership (MEP) program; and 2) \$754k unobligated balance for the Hawaii Center for Advanced Transportation Technologies (HCATT) due to a delay in funds being received from the federal agency which resulted in a corresponding holdup on encumbering contracts. Vacancy savings was also realized with a federally funded position and the equivalent of 2.0 general and special funded positions being unfilled during the year.

FY 09 appropriates funds for the same core programs/projects except general funds have been reduced by the mandated budget restriction and reduction. Vacant positions will continue to be unfilled until the hiring moratorium is lifted.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1: FY 08 "actual" and FY 09 "estimated" statistics are lower than the planned amount. This is due to the following: 1) leasing of a large quadrant at the Maui Research & Technology Center to the Kihei Charter School STEM program instead of renovating and leasing the area to smaller tenants; and 2) expansion of existing tenants to suites as it became available to meet their growing need instead of leasing the space to new prospective tenants.

Item 2: The vendor that physically hosts HTDC's websites changed in FY 07. The current methodology of tracking website activity differs from the way the previous vendor tracked information. The "planned" statistic was

projected based on the previous vendors method of tracking activity.

### **PART III - PROGRAM TARGET GROUPS**

Item 1: The FY 08 "actual" exceed the plan due to expanded areas of opportunity for the MEP program based on updated NIST guidelines of what are considered "manufacturing" types of businesses.

Item 2: FY 08 & FY 09 reflects the lower demand for virtual incubation service than projected several years ago and the continued low vacancy rate at the tech centers and expansion of existing tenants into suites as it becomes available to meet the companies growing need reduced new applications.

### **PART IV - PROGRAM ACTIVITIES**

Item 1: The current vendor that hosts HTDC's websites has a different methodology to track activity. This is the main reason for the lower statistics but is offset slightly by the additional activities by the MEP program.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010503

HAWAII STRATEGIC DEVELOPMENT CORPORATION

BED-145

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	9,015	324	-	8,691	96	8,850	8,732	-	118	1	4,123	4,241	+	118	3
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	9,015	324	-	8,691	96	8,850	8,732	-	118	1	4,123	4,241	+	118	3

					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
					PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
PART II: MEASURES OF EFFECTIVENESS					5000000	1400000	-	3600000	72	5000000	5000000	+	0	0
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL					1	0	-	1	100	2	1	-	1	50
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB					4	5	+	1	25	5	5	+	0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED					0	130	+	130	0	5000000	0	-	5000000	100
4. AMT NEW INV CAPITAL RAISD THRU STATE PRIV INV FUND														
PART III: PROGRAM TARGET GROUP					37	24	-	13	35	41	24	-	17	41
1. ENTREPRENEURIAL START-UP COMPANIES					12	17	+	5	42	15	15	+	0	0
2. POTENTIAL INVEST ORG,INCL HIGH NET WORTH INDIVIDS					3	6	+	3	100	3	3	+	0	0
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS														
PART IV: PROGRAM ACTIVITY					100000	0	-	100000	100	150000	0	-	150000	100
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP					3	3	+	0	0	3	3	+	0	0
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF					5	5	+	0	0	6	5	-	1	17
3. ENTREPRENEURIAL TRAINING PROGRAMS														

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

**01 05 03  
BED 145**

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### **PART I - EXPENDITURES AND POSITIONS**

In FY 08, HSDC did not make any new investments although they were included in the authorization ceiling.

In FY 09, expenditures are anticipated to increase with the roll out of the Hydrogen Investment Capital Special Fund.

### **PART II - MEASURES OF EFFECTIVENESS**

Items 1 & 2. National financial markets and slowdown in IPO activity have significantly impacted venture investing.

Item 3. Investment was finalized in FY 08 and the number of companies funded is again on plan.

Item 4. Distribution received from PacifiCap Fund.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. Consistent with HSDC's Yearly Activity Plan, efforts are being directed towards entrepreneurial development. Slowdown in venture investing has resulted in fewer entrepreneurial start ups.

Item 2. The number of angel investors is increasing, in part due to the State's investment incentives.

Item 3. The HiTEN network has increased the number of support organizations working with technology firms.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. No new investments were made in FY 08 due to slowdown in national financial markets. No new investments are scheduled until President position is filled permanently.

## STATE OF HAWAII

PROGRAM TITLE:

NATURAL ENERGY LAB OF HAWAII AUTHORITY

PROGRAM-ID:

BED-146

PROGRAM STRUCTURE NO: 010504

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+	0.00	0.00	0.00	+	0.00	0.00	0.00	+	0.00
EXPENDITURES (\$1000's)	12,636	9,487	-	3,149	1,281	1,037	-	244	11,362	11,606	+	244
TOTAL COSTS												
POSITIONS	0.00	0.00	+	0.00	0.00	0.00	+	0.00	0.00	0.00	+	0.00
EXPENDITURES (\$1000's)	12,636	9,487	-	3,149	1,281	1,037	-	244	11,362	11,606	+	244
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. # OF NEW NELHA TENANTS (ACTUAL)					5	5	+	0	3	3	+	0
2. NEW TENANTS (ACRES)(ACTUAL)					20	17.5	-	2.5	20	10	-	10
3. AMOUNT OF TENANT SALES (\$M)					68.2	52.9	-	15.3	75.0	54	-	21
4. INCREASE IN REVENUES (\$K)					1074	304	-	770	1573	1479	-	94
5. AMT OF TENANT CAPITAL INVSTMNT AT NELHA (\$M)					6	4	-	2	6	6.5	+	0.5
6. VALUE OF CEROS PROJECTS FUNDED (\$M)					5.8	5.1	-	0.7	5.8	8.8	+	3
7. # OF CEROS OUTREACH & INTERFACE ACTIVITIES					17	18	+	1	17	19	+	2
PART III: PROGRAM TARGET GROUP												
1. # BUSINESS/INT'L ORGS W/OCEAN RES INTERESTS					50	46	-	4	50	50	+	0
2. # BUSINESS/INT'L ORGS W/SUSTAIN ENERGY INTSTS					40	60	+	20	40	70	+	30
3. # TENANTS W/BIOTECHNOLOGY INTERESTS					7	3	-	4	8	4	-	4
4. # COLLABORATIONS W/UNIVERSITIES AND COLLEGES					4	4	+	0	5	5	+	0
5. # COLLABORATIONS W/NATIONAL LABORATORIES					2	2	+	0	3	2	-	1
6. # ORGS COMMERCIALIZING OCEAN TECHNOLOGIES					85	102	+	17	85	95	+	10
7. # ORGS IN OCEAN TECH DEV & DOD COMMANDS					600	600	+	0	600	600	+	0
PART IV: PROGRAM ACTIVITY												
1. # OF NELHA TENANTS (ACTUAL)					42	43	+	1	44	44	+	0
2. CURRENT NELHA TENANT EXPANSION (ACRES)					3	5	+	2	3	3.5	+	0.5
3. % OF LAND USE AT NELHA & HOST PARK					33	46	+	13	42	47	+	5
4. CUM AMOUNT OF STATE, TENANT, & FED CAP IMPV (\$M)					109	216	+	107	116	222.5	+	106.5
5. # OF NELHA OUTREACH ACTIVITY PARTICIPANTS					3072	3294	+	222	3379	3500	+	121
6. % CEROS BUDGET USED FOR TECHNOLOGY PROJECTS					91	85	-	6	91	90	-	1
7. # OF CEROS OUTREACH & INTERFACE PARTICIPANTS					400	435	+	35	400	470	+	70

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY

01 05 04  
BED 146

### PART I - EXPENDITURES AND POSITIONS

S-345- Variance for FY 08 is due to three position vacancies, fringe benefits estimates much higher than actuals, payment for central and administrative services assessments lower than projections, ceded land payments lower than anticipated (due to lower revenues than projected), security services contract lower than projected, seawater pumping cost lower than projected (due to lower than projected tenant usage), and deferral of off-shore pipe cleanup/removal.

S-245/249 FY 08 variance due to contracts not being encumbered in 4th quarter, deferred to FY 09.

S-253- FY 08 variance due to number of actual labor hours and other administrative expenses lower than anticipated.

S-249- FY 09 1st quarter variance is due to rent contract not being encumbered in 1st quarter, deferred to 2nd quarter.

S-345- FY 09 1st quarter variance is due to three position vacancies, fringe benefits estimates much higher than actuals, delayed payments for 1st quarter assessments for central services, administrative services and ceded land coupled with delayed repair and maintenance of facility infrastructure.

### PART II - MEASURES OF EFFECTIVENESS

Item 2. Variance due to one tenant taking fewer acres than originally requested.

Item 3. Variance due to tenant sales less than anticipated due to slowing economy.

Item 4. Variance due to tenant delinquencies, lower percent rent collections due to slowing economy, and Legislative General Fund subsidy for aquaculture tenants and elimination of advanced royalties for one tenant.

Item 5. Variance due to one tenant delaying capital investment until FY 09.

Item 6. Variance is due to deferred contract encumbrance to FY 09.

### PART III - PROGRAM TARGET GROUPS

Item 2. Increase is due to NELHA being on a maximizing campaign to solicit renewable energy projects.

Item 3. Variance is due to NELHA putting more emphasis on renewable energy projects than biotechnology interest.

Item 6. Variance due to deferred contract encumbrance to FY 09.

### PART IV - PROGRAM ACTIVITIES

Item 2. Variance due to several tenants expanding more/larger parcels than originally projected.

Item 3 & 4. Variance due to inaccurate FY 08 "Planned" estimates.

Item 7. Variance is due to CEROS receiving an additional \$3.0M in funding which attracted more organizations to submit abstracts.

## STATE OF HAWAII

PROGRAM TITLE:

WATER AND LAND DEVELOPMENT

PROGRAM-ID:

LNR-141

PROGRAM STRUCTURE NO: 0106

## VARIANCE REPORT

REPORT V61

12/13/08

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	5.00	3.00	-	2.00	40	6.00	3.00	-	3.00	50	6.00	6.00	+	0.00	0
EXPENDITURES (\$1000's)	895	393	-	502	56	253	80	-	173	68	600	750	+	150	25
TOTAL COSTS															
POSITIONS	5.00	3.00	-	2.00	40	6.00	3.00	-	3.00	50	6.00	6.00	+	0.00	0
EXPENDITURES (\$1000's)	895	393	-	502	56	253	80	-	173	68	600	750	+	150	25
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09						
					PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%	
PART II: MEASURES OF EFFECTIVENESS															
1. SURFACE WATER SUPPLY DEVELOPED (MGD)					0	0	+	0	0	0	0	+	0	0	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)					1	0	-	1	100	1	0	-	1	100	0
3. WATER CREDITS PROVID TO STATE AGENCIES (1000 GALS)					500	0	-	500	100	500	500	+	0	0	0
4. STATE LANDS DEVELOPED (ACRES)					20	20	+	0	0	20	20	+	0	0	0
PART III: PROGRAM TARGET GROUP															
1. DEFACTO POPULTN BENEFITING FROM IMPROVEMENTS (NO.)					1.3	1.4	+	0.1	8	1.3	1.4	+	0.1	8	8
PART IV: PROGRAM ACTIVITY															
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)					25	25	+	0	0	25	25	+	0	0	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)					25	25	+	0	0	25	25	+	0	0	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED					10	10	+	0	0	10	10	+	0	0	0
4. ENGIN SVCS PROVIDD TO OTHER DLNR OFFICES (MAN HRS)					15000	20000	+	5000	33	15000	20000	+	5000	33	33
5. CIP EXPENDITURES (\$1,000)					15000	44030	+	29030	194	15000	20000	+	5000	33	33
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)					0	0	+	0	0	0	0	+	0	0	0

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: WATER AND LAND DEVELOPMENT**

**01 06  
LNR 141**

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### **PART I - EXPENDITURES AND POSITIONS**

Differences in budgeted amounts and actual expenditures primarily due to staff vacancies and unused accrued vacation/sick leave/retirement fund for CIP staff.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2 - Reflects authorized water development projects and their completion; there has been a downturn in funding for such projects.

Item 3 - Reflects authorized water development projects and their completion; there has been a downturn in funding for such projects.

### **PART III - PROGRAM TARGET GROUPS**

Reflects actual population growth.

### **PART IV - PROGRAM ACTIVITIES**

Item 4 - Reflects time spent on authorized projects under other departmental programs; authorization of water projects less than anticipated.

Item 5 - Reflects actual expenditures; an additional \$28 million is encumbered in consultant and/or construction contracts.

## VARIANCE REPORT

PROGRAM TITLE: SPECIAL COMMUNITY DEVELOPMENT

12/13/08

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0107

	FISCAL YEAR 2007-08					THREE MONTHS ENDED 09-30-08					NINE MONTHS ENDING 06-30-09				
	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ESTIMATED	+ CHANGE		%
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0
EXPENDITURES (\$1000's)	2,492	2,087	-	405	16	1,399	497	-	902	64	2,593	3,064	+	471	18
TOTAL COSTS															
POSITIONS	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0	2.00	2.00	+	0.00	0
EXPENDITURES (\$1000's)	2,492	2,087	-	405	16	1,399	497	-	902	64	2,593	3,064	+	471	18
						FISCAL YEAR 2007-08					FISCAL YEAR 2008-09				
						PLANNED	ACTUAL	+ CHANGE		%	PLANNED	ESTIMATED	+ CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. NEW PRIVATE DEVELOPMENT IN KAKAAKO COMM DEV (\$M)						134	92	-	42	31	162	95	-	67	41
2. NEW PRIVATE DEVELOPMENT W/IN KALAELOA (\$M)						15	0	-	15	100	20	20	+	0	0

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010701

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BED-150

## VARIANCE REPORT

REPORT V61

12/13/08

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ACTUAL	± CHANGE		%	BUDGETED	ESTIMATED	± CHANGE		%
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	2.00 961	2.00 792	+	0.00 169	0 18	2.00 216	2.00 169	+	0.00 47	0 22	2.00 745	2.00 817	+	0.00 72	0 10
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	2.00 961	2.00 792	+	0.00 169	0 18	2.00 216	2.00 169	+	0.00 47	0 22	2.00 745	2.00 817	+	0.00 72	0 10

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
	PLANNED	ACTUAL	± CHANGE		%	PLANNED	ESTIMATED	± CHANGE		%
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)	134	92	-	42	31	162	95	-	67	41
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)	520	749	+	229	44	1077	15.5	-	1061.5	99
3. # OF NEW HOUSING UNITS IN KAKAAKO	399	614	+	215	54	492	12	-	480	98
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO	0	0	+	0	0	1	1	+	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD	57	56	-	1	2	63	57	-	6	10
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)	15	0	-	15	100	20	20	+	0	0

PART III: PROGRAM TARGET GROUP										
1. # OF RESIDENTS IN KAKAAKO	11660	12010	+	350	3	13070	12590	-	480	4
2. # OF EMPLOYEES IN KAKAAKO	25757	25717	-	40	0	27112	27478	+	366	1
3. # OF BUSINESSES IN KAKAAKO	1658	1656	-	2	0	1697	1662	-	35	2
4. # OF LANDUSERS WITHIN KALAELOA	35	56	+	21	60	35	56	+	21	60
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS	1050	5000	+	3950	376	1150	5000	+	3850	335

PART IV: PROGRAM ACTIVITY										
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO	160	160	+	0	0	160	160	+	0	0
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO	1	1	+	0	0	0	7	+	7	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)	28.4	1.1	-	27.3	96	80.9	19201	+	19120.1	23634
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN	121	121	+	0	0	121	121	+	0	0
5. NEW PLANNING IN KALAELOA (\$M)	2	0	-	2	100	2	0	-	2	100
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA	42	42	+	0	0	61	42	-	19	31
7. # PROJS FACILITATED & COMPLETED IN KALAELOA	5	5	+	0	0	5	5	+	0	0

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

01 07 01  
BED 150

**PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

### **PART I - EXPENDITURES AND POSITIONS**

FY 08: The variance due to: 1) general fund expenditure was \$9,946 more than budget due to CB; 2) HCDA Kakaako revolving fund expenditure was \$35,651 less than budget; 3) Kalaeloa revolving fund expenditure was \$59,579 less than budget due to postponed activities in the district.

1st Quarter FY 09: The variance due to: 1) Kalaeloa District activities less than budget but will pick up in remainder of FY; 2) Kakaako District activities less than budget.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. FY 08: Variance due to inaccurate "Planned" estimates. FY 09: The variance is the result of rapidly changing development in the district. The negative \$65 M variance is net results of postponements of two projects (-\$35M for Halekauwila Place and -\$31M for Ward Village Shops) projects.

Item 2. FY 08: Variance due to inaccurate "Planned" estimates. FY 09: The negative effect of 1,061 (1,000 sf) is directly related to Item 1.

Item 3. FY 08: Variance due to inaccurate "Planned" estimates. FY 09: The negative effect of 480 is directly related to Items 1 and 2.

Item 5. FY 09 Variance is due to postponed activities.

Item 6. FY 08 Planned was previously overestimated.

### **PART III - PROGRAM TARGET GROUPS**

Item 3. Variance mainly due to postponement of private development projects.

Item 4. Variance mainly due to entries based on "stock", not "change", of the meaning of this measure.

Item 5. Variance mainly due to entries based on "stock", not "change", of the meaning of this measure. In addition, around 1,000 new residents because of new homeless shelters opened during the year.

### **PART IV - PROGRAM ACTIVITIES**

Item 2. FY 09: Positive effect due to implementation of HCDA's five-year plan.

Item 3. FY 08: Negative \$27.3 M variance due to "Planned" not being updated. FY 09: Positive effect due to implementation of HCDA's five-year plan.

Item 5. FY 08 / FY 09: Negative \$2.0M variance is due to lack of funding.

Item 6. FY09: Variance due to inaccurate "Planned" estimates.

## STATE OF HAWAII

PROGRAM TITLE:

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010702

ALOHA TOWER DEVELOPMENT CORPORATION

BED-151

## VARIANCE REPORT

REPORT V61

12/13/08

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	0.00 1,531	0.00 1,295	+ -	0.00 236	0 15	0.00 1,183	0.00 328	+ -	0.00 855	0 72	0.00 1,848	0.00 2,247	+ +	0.00 399	0 22
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	0.00 1,531	0.00 1,295	+ -	0.00 236	0 15	0.00 1,183	0.00 328	+ -	0.00 855	0 72	0.00 1,848	0.00 2,247	+ +	0.00 399	0 22

					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09					
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS					5	5	+	0	0	5	5	+	0	0
1. DEVELOPMENT PROJECTS GENERATED					100	100	+	0	0	100	100	+	0	0
2. NUMBER OF JOBS CREATED					305	305	+	0	0	0	0	+	0	0
3. TOTAL CONSTR VALUE OF DEV PROJS UNDER NEGOTN (MIL)					35.7	0	-	35.7	100	0	0	+	0	0
4. EST. TAX REVENUE INCREASE FROM DEVELOPMENT (MIL)														
PART III: PROGRAM TARGET GROUP					2	2	+	0	0	2	2	+	0	0
1. LOCAL AND INTERNATIONAL REAL ESTATE DEVELOPERS					500	500	+	0	0	500	500	+	0	0
2. EXISTING AND POTENTIAL TENANTS/USERS/DEVELOPERS														
PART IV: PROGRAM ACTIVITY					5	5	+	0	0	5	5	+	0	0
1. # PROJECTS UNDER DEVELOPMENT OR UNDER AGREEMENT					5	5	+	0	0	5	5	+	0	0
2. # DIRECT NEGOTIATIONS ENTERED INTO					7	7	+	0	0	7	7	+	0	0
3. # OF INITIATIVES GENERATED					2	0	-	2	100	2	1	-	1	50
4. # OF PROJECTS UNDER CONSTRUCTION														

## **VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009**

**PROGRAM TITLE: ALOHA TOWER DEVELOPMENT CORPORATION**

**01 07 02  
BED 151**

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### **PART I - EXPENDITURES AND POSITIONS**

#### **EXPENDITURES**

Expenditures were less than budgeted due to reduction in personnel costs. A development manager position was left unfilled pending completion of negotiated agreements with the developer for Piers 5 & 6. Another project manager position was not fully funded due to the incumbents reduction in work hours.

Expenditures were less than budgeted due to positions being filled for only a portion of the fiscal year. The ATDC is fully staffed as of 5/16/08. Also, for FY 09 the major expenditures related to the Harbors Modernization plan operating expenses were not incurred in the 1st quarter but anticipated to increase during the subsequent quarters.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 4. Measures of effectiveness were met in FY 08 except for actual tax revenue generated in FY08. This amount is below planned estimates due to non-start of construction for the Piers 5 & 6 Project.

The projects generating tax revenue were consultant contracts related to the Piers 5 & 6 project, ATDC's master planning effort and projects under the Harbors Modernization plan.

### **PART III - PROGRAM TARGET GROUPS**

No variance in FY 08.

### **PART IV - PROGRAM ACTIVITIES**

Item 4. Projects estimated to be under construction did not move forward, one project could not obtain financing and the other project is currently under arbitration to resolve disputes related to terms and provisions for a development agreement. The arbitration is expected to be completed in the 1st quarter of 2009.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

12/13/08

PROGRAM-ID:

BED-160

PROGRAM STRUCTURE NO: 0108

	FISCAL YEAR 2007-08				THREE MONTHS ENDED 09-30-08				NINE MONTHS ENDING 06-30-09			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	34.00	20.00	- 14.00	41	34.00	19.00	- 15.00	44	34.00	34.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	61,630	29,053	- 32,577	53	2,446	1,405	- 1,041	43	39,033	40,074	+ 1,041	3
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	34.00	20.00	- 14.00	41	34.00	19.00	- 15.00	44	34.00	34.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	61,630	29,053	- 32,577	53	2,446	1,405	- 1,041	43	39,033	40,074	+ 1,041	3
					FISCAL YEAR 2007-08				FISCAL YEAR 2008-09			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF HOMEBUYERS ASSISTED					280	889	+ 609	218	140	409	+ 269	192
2. # OF NEW RENTAL UNITS					296	443	+ 147	50	293	437	+ 144	49
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV					154	929	+ 775	503	50	108	+ 58	116
4. # OF LEASE RENTS RENEGOTIATED					0	0	+ 0	0	0	0	+ 0	0
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE					1	0	- 1	100	0	1	+ 1	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD					730	2261	+ 1531	210	483	954	+ 471	98
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT					0 NO DATA		0	0	50 NO DATA		50	100
<b>PART IV: PROGRAM ACTIVITY</b>												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE					132	810	+ 678	514	200	510	+ 310	155
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING					290	239	- 51	18	224	225	+ 1	0
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)					75	54	- 21	28	80	54	- 26	33
4. UTILIZE CH 201H TO FAC ST & CNTY LAND APP FOR HSNB					850	880	+ 30	4	1200	90	- 1110	93
5. ACQUIRE/DISPOSE OF REAL PROPERTY					2	6	+ 4	200	2	4	+ 2	100
6. ASSIST FIRST-TIME HOMEBUYERS					280	715	+ 435	155	140	59	- 81	58
7. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO					0	0	+ 0	0	0	0	+ 0	0
8. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION					0	0	+ 0	0	0	0	+ 0	0

## VARIANCE REPORT NARRATIVE FY 2008 AND FY 2009

PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

01 08  
BED 160

### PART I - EXPENDITURES AND POSITIONS

The variance is primarily due to a delay in filling of positions pending reorganization approval.

Expenditure variance due to delays in projects.

### PART II - MEASURES OF EFFECTIVENESS

Item 1: Variance is due to a greater effort to promote the Mortgage Credit Certificate program. This effort resulted in MCC numbers being over three times the projected amount.

Items 2 & 3: Variance is a result of higher than anticipated Conveyance tax collections which allowed HHFDC to award, Rental Housing Trust Fund (RHTF), funds to more units than anticipated.

Item 5: Variance is insignificant.

### PART III - PROGRAM TARGET GROUPS

Item 1: Variance is due to the utilization of updated HUD data for the actual average monthly income of households.

### PART IV - PROGRAM ACTIVITIES

Item 1: Variance is the result of the number of acquisition/rehab projects applying for financing was higher than originally projected.

Item 2: Variance due to increased construction costs.

Item 3: Variance is due to higher than anticipated construction costs which meant larger amounts of LIHTC were needed to develop/rehabilitate units.

Item 4: Variance is due to reprocessing because of slow sales.

Item 5: Variance is due to reprocessing because of slow sales.

Item 6: Variance is due to planned amount being inadvertently underestimated. The correct FY 08 planned amount is 774; therefore the variance is -8% due in part to slow sales.